

FY12 Agribusiness

Staff Summaries & Recommendations - December 2010

The Commission received 19 proposals for FY12 Agribusiness funds by the October 14th due date, along with one proposal referred from Special Projects. The Committee has a balance from the FY12 budget and carried forward funds of \$2,947,011 available for the following 20 grant proposals.

Req #	Organization Name	Project Title	Request Amount	Staff recommendation
2476	Abingdon Feeder Cattle Association, Inc.	Southwestern Commodity Storage Initiative (Phase II)	\$950,000	\$700,000
2477	Abingdon Feeder Cattle Association, Inc.	Beef For the Future - A Project to Strengthen Southwest Virginia's Largest Agriculture Industry Phase II	\$450,000	0
2478	Appalachian Agricultural Exposition Center	Appalachian Agricultural Exposition Center	\$400,000	0
2465	Brook Hill Retirement Center for Horses	Multi-purpose Equine Care and Educational Building	\$300,000	0
2453	Campbell County	The Central Virginia Livestock Improvement Program	\$730,000	\$700,000
2472	Carroll County	Farmers Market Cooling and Equipment	\$400,000	\$197,011
2480	Cumberland IDA	Riverside Industrial Park - Economic Development Project, Echo Enterprises, LLC	\$176,300	0
2479	Halifax County Agricultural Development Office	New V.A.	\$130,000	0
2473	Town of Halifax	Creation of Agribusiness Marketplace and Incubator in Southside Virginia	\$569,768	0
2452	Holston River Soil and Water Conservation District	Washington County Purchase of Development Rights Program	\$617,274	0
2464	Mount Rogers Christmas Tree Growers Association	Christmas Tree Advertising and Marketing	\$45,000	0
2450	New River Highlands RC&D	New River Grazing Management Initiative	\$169,896	0
2460	Nottoway County	Nottoway Farm to Fuel Project	\$911,000	\$150,000

2366	Olde Dominion Agricultural Foundation	Olde Dominion Agriculture Complex - Arena Build Out	\$1,000,000	\$500,000
2474	Prince Edward County	Prince Edward Regional Food Enterprise Center - Value-Added Foods through Sustainable Local Processing	\$486,000	0
2462	Southwest Virginia Agricultural Association, Inc.	Expanding Markets for Apiculture in Southwest Virginia	\$491,500	0
2475	Virginia Cattlemen's Association	Southwest Virginia Livestock Center	\$1,000,000	\$700,000
2463	Virginia Polytechnic Institute and State University	A Regional Processing Facility for Production of Value-Added Aquacultured and Other Farmed Food Products	\$463,850	0
2459	Virginia Polytechnic Institute and State University	Advancing a marine shrimp and freshwater prawn industry for Southwest and Southside Virginia	\$513,717	0
2454	Virginia State University	Value-added and Consumer-ready Products from Potential Food Legume Crops to Enhance Income of Tobacco Farmers	\$223,680	0

Total (20 proposals)	\$10,027,985	\$2,947,011
Balance available	\$2,947,011	0

Abingdon Feeder Cattle Association, Inc.

Southwestern Commodity Storage Initiative - Phase II (#2476)

\$950,000 requested

Project description provided by applicant: The objective of the Commodity Storage Initiative is to improve the feed and storage efficiencies of commodities for livestock producers in tobacco dependent communities. Construction of on-farm structures will enhance farm profitability and therefore benefit the region's overall economy. Participating counties include: Buchanan, Dickenson, Lee, Russell, Scott, Smyth, Tazewell, Washington and Wise. By implementing improved feeding programs and using lower cost inputs, livestock producers can increase both production and farm profits. Funds are requested to provide capital incentives to producers to expand hay and/or feed storage capabilities. Three components of bulk commodity storage will be addressed: feed storage bins, bulk commodity storage structures, and hay storage structures. The purchase of storage bins and bulk structures will provide the means by which producers can purchase feed at a substantial discount by avoiding peak pricing periods. The construction of hay shelters will decrease storage losses and individual animal ration costs by better preserving on-farm harvested forages. This grant will allow qualified producers to be reimbursed on a 67/33 cost basis for eligible expenditures. A two-tier payment structure will be utilized. Higher cost bulk facilities are eligible for a maximum cost share of \$10,000. Hay and feed storage are eligible for

maximum payment of \$3,300. Program guidelines of the Storage Initiative require participating producers to: attend an educational session offered by Virginia Cooperative Extension on animal nutrition and sourcing feedstuffs, maintain records on feed utilized in the storage facilities, maintain storage structure and file an annual report to the County Agriculture Extension Agent.

Staff comments and recommendation: The nine targeted counties received \$375,000 in last year's FY11 Southwest Commodity Storage grant and reports completion of 21 hay storage structures (saving an estimated average of \$1,900 per structure annually) and six feed structures (averaging savings of \$9,600 annually). TICR funds for cost-share would be matched \$2 to \$1 by 280 producers in nine SWVA counties, resulting in private investment of \$1.9 million, although additional income or cost avoidance (by purchasing feeds in bulk amounts and/or avoiding hay spoilage) are quantified on an aggregate basis. The applicant reports a waiting list of 45 producers who were not served with last year's grant. The project is one of the top two highest scoring proposal by virtue of serving a large swath of Southwest VA (280 farms are estimated to be served at the requested dollar amount), requiring substantial matching private investment (\$2 to \$1 for a total of \$1.9 million), and building on a successful program implementation and partnerships that are already in place. Staff's only objection is the request for \$14,000 of personal services to pay the applicant organization to implement the project, which is contrary to Commission policies. **Staff recommends award of \$700,000 contingent on program operating support being limited to direct costs of supplies/materials and marketing.**

Abingdon Feeder Cattle Association, Inc.

Beef For the Future - A Project to Strengthen Southwest Virginia's Largest Agriculture Industry Phase II (#2477)

\$450,000 requested

Project description provided by applicant: The Beef for the Future project began on a trial basis in 2011 with a \$100,000 grant from the Virginia TICRC. "Beef for the Future" is a project to improve the profitability of beef producers in Southwest Virginia. Commission funding will make it possible for farmers to become more efficient in managing their feed and will also give producers the ability to modernize their livestock record keeping systems. The counties included in the project include Bland, Buchanan, Dickenson, Grayson, Lee, Russell, Scott, Smyth, Tazewell, Washington, Wise, and Wythe. Tremendous savings can be realized by purchasing feed in bulk. Unfortunately many medium and small producers lack the equipment to handle and distribute bulk feed. Cost share funds will be utilized to assist producers in utilizing bulk feeds (handling and loading equipment and distribution and feeding equipment). In many instances beef producers have an assortment of feeding ingredients available and complete rations could be formulated. To assist these producers in developing balanced rations, funds will be utilized in purchasing feed mix-wagons. These wagons can blend an assortment of feed stuffs to create high quality animal feeds. The ability to establish herd benchmarks and to utilize cost analysis data is essential in making effective management decisions. Cost share funds will enable producers to meaningfully evaluate livestock performance by providing record keeping assistance, computer software, and scales. Beef producers have limited control over the prices they receive. However, producers can improve profitability by more efficiently managing livestock with improved records and decreased input costs.

Staff comments and recommendation: The Agribusiness Committee provided \$100,000 in FY11 to begin this 50:50 cost-share program, and the new proposal would serve 200 additional producers in 13 SWVA counties with equipment and software. Private matching investments would be \$540,000 with estimated additional income of \$1.6 million over ten years (or \$480,000 within TICR's standard three year timeframe for measurement). The applicant reports a waiting list of 15 producers who were not

served with last year's grant. While this proposal scores well for private sector leveraging and broad regional reach, it is not as well-leveraged as other cost-share projects (\$1 to \$1 in this case) and the return on investment for several eligible cost-share components would be difficult to measure. Staff is of the opinion that Agribusiness program objectives and the region's farms would be better served by supporting the applicant's other proposal described above. **Staff recommends no award.**

Appalachian Agricultural Exposition Center
Appalachian Agricultural Exposition Center (#2478)
\$400,000 requested

Project description provided by applicant: A multipurpose expo type facility will be renovated in the town of Wytheville hosting regional agricultural events for the entire Southwestern portion of Virginia.

Staff comments and recommendation: This project has been submitted to the Agribusiness program on three previous occasions in recent years and has been passed over for lack of committed matching funds to fully develop this vacant industrial site in Wytheville. The site offers multiple large open span bays, outdoor space and excellent visibility and access from the junction of Interstates 81 and 77 for proposed agricultural, livestock and equine events. An economic impact study prepared by Virginia Tech is also attached. The current proposal indicates \$250,000 of matching funds "in hand" for acquisition of the former Emerson plant, but again there is little evidence of the ability of this dedicated volunteer-driven nonprofit organization to raise the balance of the proposed \$4 million project and sustain operations of such a large multi-use facility. **Staff recommends no award.**

Brook Hill Retirement Center for Horses
Multi-purpose Equine Care and Educational Building (#2465)
\$300,000 requested

Project description provided by applicant: Brook Hill Retirement Center for Horses, Inc. is re-submitting its grant application for the construction of a Multi-Purpose Equine Care and Educational Building. This submission includes new information that addresses the Tobacco Commission's concerns and recommendations provided after review of Brook Hill's 2010 application. Specific application additions include a legal document outlining structure/contract language to assure return on investment to the community, addressing the private property issue. Revenue streams through cash donations are provided, and greater clarity has been added to document Brook Hill's job creation impact. Since its inception in 2001, through its ability to rescue, rehabilitate relinquished equines, Brook Hill has directly impacted the equine population by placing 356 horses in the Southside region, created associated cumulative discretionary spending of \$6,674,640 in the agriculture sector, contributed to 191 related jobs in Southside localities, and has spent \$282,646 locally supporting its operations. With the new facility, Brook Hill's cumulative positive impact to the regions' economy and primarily agricultural sector will grow to \$18,536,395, will create and sustain 530 jobs, and will have brought in \$1,500,733 in revenue from outside the Southside Region. Brook Hill Farm is requesting \$300,000 of the \$435,000 needed for building materials and labor required for the construction of a Multi-Purpose Equine Care and Educational Building. This building is required to maintain and expand Brook Hill's and the Southside region's capacity to provide equine rescue, animal control equine seizure services, equine industry work force development and therefore sustain and grow the program's positive economic impact.

Staff comments and recommendation: This project was submitted last year in Agribusiness and passed by. The majority of matching funds are already spent (existing equipment and completed plans) or are donated labor. Otherwise the project is not well-leveraged for a nonprofit organization that has the ability to pursue foundation grants and charitable contributions. The request is to use public funds to construct a building on privately-owned land, which the applicants have addressed with a lease provision to return funds to TCR if the property is ever sold. The Center's work is clearly a worthy and humane venture and is well-supported regionally, however there is little evidence the project would attract significant new revenues to the region and thereby grow the economic base. While the applicants can reasonably argue that these charitable rescue programs retain spending and support existing equine-related businesses within the regional economy (the applicant estimates a \$1.4 million economic impact annually, using industry average spending of \$4,000 per horse served since 2001), it can also be argued that this involves disposable income that already exists in the regional economy and would be spent elsewhere in the same economy – on other horses or activities - in the absence of this expansion project. The project, though a worthy humane operation, does not align well with Agribusiness program outcomes of generating measurable new income for tobacco region farms. **Staff recommends no award.**

Campbell County

The Central Virginia Livestock Improvement Program (#2453)

\$730,000 requested

Project description provided by applicant: The overall objective of the Central Virginia Livestock Improvement Program (CVLIP) is to improve the management, marketing, safety and production capabilities of cattle, dairy, sheep, and goat producers in tobacco dependent communities, thereby, enhancing farm profitability with corresponding benefits to the region's overall economy. This initiative will be targeted at these 14 counties: Amelia, Appomattox, Bedford, Brunswick, Buckingham, Campbell, Charlotte, Cumberland, Halifax, Lunenburg, Mecklenburg, Nottoway, Pittsylvania, and Prince Edward. Tobacco funds are requested to provide capital incentives to 15 agriculture producers in each of the 14 counties to enhance livestock management, pasture utilization, and hay feed efficiency, thereby assisting tobacco farmers in transitioning into alternative agriculture endeavors, ultimately resulting in increased on-farm revenues. This grant will allow qualified producers to be reimbursed on a 33% cost share to a maximum of \$3,300 per producer. Producers must spend \$1,000 to be eligible.

Staff comments and recommendation: This proposal represents a new program for cost-shared livestock improvements including rotational grazing, feed efficiency and herd management. It intends to serve 210 producers in the 14 counties and would leverage two-to-one private matching funds. Halifax County's Ag Development Director is co-managing the project with Campbell County Economic Development staff. The project involves multi-faceted reimbursable project expenses, ranging from fencing to ear tags, making the cumulative economic impact more challenging to track. However, the project is one of the top two highest scoring proposals by virtue of serving a large swath of Southern VA, requiring substantial matching private investment (\$2 to \$1 for a total of nearly \$700,000), and is designed to reach dairy, sheep and goat producers who were not previously eligible for beef cattle incentives. It is also designed with an emphasis on rotational grazing and animal identification systems, both of which are known to generate additional income to producers. **Staff recommends award of \$700,000.**

Carroll County

Farmers Market Cooling and Equipment (#2472)

\$400,000 requested

Project description provided by applicant: Through the support and funding assistance of organizations such as the Tobacco Indemnification and Community Revitalization Commission, the Southwest Virginia Farmers' Market (SWVFM) and the regional agricultural base has seen tremendous growth in both production and marketing. The attempt of the SWVFM to offer specialized cooling processes, grading, and packaging to increase farmers' marketability has made quite an impact; the value-added options have revealed various new marketing opportunities for southwest Virginia products. Carroll County is requesting funding on behalf of the SWVFM to expand its operation by purchasing more forced-air coolers; a new wash and wax grader line; plastic, collapsible bins; a refrigerated truck, and additional tow motors and pallet jacks.

Staff comments and recommendation: The SWVFM reports \$1.3 million of new product handled in 2011, helped in great measure by previous TCR Agribusiness grants totaling \$559,000 for hydro-coolers and other equipment. This proposal requests funds for new equipment listed above that is estimated to enable an additional \$2.7 million of additional product handled over three years from a list of nearly 90 farmers served from ten tobacco region counties. The applicants provided detailed supplemental info showing growth of product sales over the last five years and projections for the coming years, with revenues primarily coming from corn, broccoli and greens, but with growth potential in cucumbers and pumpkins. The majority of product is being distributed for sale outside the tobacco region, which translates to the "importing" of income from outside the region for area producers. This well-operated and highly successful facility is providing arguably the best documentation of the results of Commission investments among all Agribusiness projects. **Staff recommends award of \$197,011.**

Cumberland IDA

Riverside Industrial Park – Economic Development Project , Echo Enterprises, LLC (#2480)

\$176,300 requested

Project description provided by applicant: The prospective tenant (Echo Enterprises, LLC) proposes to develop the rear portion of the last parcel (6.12 acres) in the existing Riverside Industrial Park on Plank Road in Cumberland County just north of the Town of Farmville. The Cumberland County IDA is seeking the grant funding necessary for site development work such as: engineering, site work, site grading, and getting the parcel pad-ready (finished rough grading, but without any gravel/asphalt). The County IDA would then convey the pad-ready site to the tenant. The tenant would enter into a Performance Agreement that his company must at a minimum:

- 1) construct a building and open this premises within a certain timeframe
- 2) expand the scope of his existing business
- 3) hire the # of additional employees specified -- [i.e. - six (6)]

This tenant would construct a 60' x 120' shell building for the purpose of sales and storage of poultry equipment and supplies for local growers. As a licensed distributor of GSI, LLC (a nationally-known agricultural/poultry equipment supplier) for Central Virginia, this business intends to provide employment for approximately ten people. Echo Enterprises is currently operating with four employees with plans to add up to six more employees to meet work demand. Public water and public sewer are available to this property in Hauschild Drive and along Plank Road from the Town of Farmville Department of Public Utilities.

Staff comments and recommendation: Funds are requested for site development (grading, fill dirt and utilities = \$131,300) and site engineering (\$45,000). Matching funds will come from legal and appraisal fees, County staff time and foregone value of the land at time of sale to the company (a total match of \$47,540). This proposal singularly benefits one existing agribusiness that supplies an unspecified number of tobacco region agricultural producers and is reportedly willing to sign a performance agreement confirming private capital of investment of a 7,200 square foot building and creation of six new employees (which is presumably not a TROF-eligible project). Although the private investment is not quantified it presumably will produce a significant multi-year leveraging of TICR funds by a taxpaying County business. However, it is unclear what benefits would accrue to tobacco region poultry producers as a result of supporting this company, such as preferred pricing for equipment distributed by the company. Consequently, it is difficult to assess how this project meets the Agribusiness program objective of increasing on-farm income for producers. **Staff recommends no award.**

Halifax County Agricultural Development Office

New V.A. (#2479)

\$130,000 requested

Project description provided by applicant: Halifax County Agricultural Development seeks funding to promote the production of wine grapes as an alternative enterprise among selected former tobacco farmers in Southside Virginia. The trend for vineyards in Virginia has been steadily increasing over the years. Revenue generated in 2011 is up to \$1.8 million versus \$1.6 million in 2010. Our region is not capitalizing on the phenomenal growth potential of vineyard crop production as a means to diversify in a manner similar to other regions in the state. Compare Southern Virginia's 10 wineries to the 68 in Northern Virginia, and the 63 in Central Virginia. Less than 5% of the vineyards and wineries in Virginia are located in Southern Virginia. With 462,112 cases sold and the growth continuing, current wineries will be looking to others for assistance in growing sufficient quantities of quality grapes. With almost 200 wineries in the state generating \$1.8 million in revenue, the averages about \$9000 generated per vineyard. With this assistance for growth, 10 new vineyards can generate a minimum of \$90,000 in tax revenue for our region. The goal of this project will be to work with new growers throughout the Southside region to produce sufficient quantities of several varieties of grapes to supply to current wine producers within the region. By assisting with high initial input costs, producers can work toward a faster return on investment for profit, where it takes at least four years before any harvest and return.

Staff comments and recommendation: The proposal seeks funds to establish ten new vineyards in five Southern VA counties (Campbell, Charlotte, Halifax, Mecklenburg and Pittsylvania), with the majority of funds being used to purchase spraying equipment, grape plants, trellis construction materials and consulting services to establish at least two acres of new winegrape vineyards at each of the ten sites. Cost-share investments by the ten private beneficiaries will be 60% of the vineyard installation costs, with a 40% reimbursement from grant funds. Matching funds are also in-kind for County staff time (\$19,469). The proposal has worthy objectives to encourage new producers to supply winegrapes for willing buyers at Virginia's wineries, but aside from the length of time between planting and first yields (4-5 years) there is no significant evidence of barriers to entry for prospective growers, and any effort to encourage new startup vineyards would arguably be better addressed on a broader regional level with stronger participation by university-based experts and/or growers associations. **Staff recommends no award.**

Town of Halifax

Creation of Agribusiness Marketplace and Incubator in Southside VA (#2473)

\$569,768 requested

Project description provided by applicant: The purposes of this grant are to: create an agricultural incubator in Southside Virginia that is connected to a nexus of agricultural support services/agencies, and; incubate an anchor tenant that will scale-up a nutrient-rich soil treatment to support a larger marketing effort to improve crop yield, quality, and profit for regional farmers. In accordance with the Halifax Marketplace Master Plan, \$569,000 is being requested to transform an underutilized, vacant former grocery building in the heart of downtown into a vibrant agricultural Marketplace and Agribusiness Incubator. An anchor tenant, MOSS, will lease 9,700 ft² of the 14,400 ft² facility; the remaining section being designated for public events and an agricultural marketplace for vendors. Approximately \$320,000 will be used to provide much-needed upgrades to the building, while \$160,000 will be used to purchase basic equipment to be leased by MOSS. MOSS will use the facility for initial scale-up and marketing of an all-natural soil amendment that significantly enhances yield and quality of a wide range of crops; a product with potential to profoundly increase net profits of a majority of agricultural producers in the footprint. The Virginia Cooperative Extension (VCE) will perform controlled studies with 50-100 farmers to validate MOSS products on a large-scale for specific crop applications in the footprint. The creation of the incubator and marketplace will eliminate the physical, visual and economic blight impairing the community's quality of life, provide centralized agricultural incubation resources to facilitate new start-ups and expansions, and increase the viability and profitability of regional producers.

Staff comments and recommendation: While the Town argues that this is primarily a project to create an agribusiness incubator, there is no supporting evidence of demand for agribusiness incubation space, no operating pro forma is provided to show evidence of sustainable operational revenues versus costs, and no detail on other activities/events that would be held in the balance of the building. In fact, one company is the principal beneficiary of this project. MOSS, which would use vermiculture processes to produce the soil amendment (worm-based composting of multiple waste inputs) would lease two-thirds of the building, and would have access to equipment and supplies/materials purchased with grant funds. Vermicomposting is a well-established process, hence this project does not appear to be a candidate for R&D funds. There is no estimate of private capital investment by the company that would make the project TROF-eligible, and it is stated that the company is currently seeking additional project financing. The company's only stated financial commitment is to make annual lease payments totaling \$54,000 that begin in year two, part of the company's operational expenses described as \$250,000 in year one. MOSS employment is expected to start at three in year one and grow to 15-30 in year three. Supporting information shows a substantial projected profit margin for MOSS, although grant funds are also requested to pay Extension agent to travel to test farms (\$15,000), to ARECs and other labs to test its product (\$5,000), and to pay for grad research assistants (\$3,500). The majority of matching funds are either already spent (\$25,000 for Market Master Plan), in-kind donated or reduced cost lease of space to the company, or reduced cost of leasing equipment that is bought with TICR grant funds. It is unclear what agribusinesses uses might occupy the space at such time as MOSS outgrows the building, hence agribusiness outcomes are unclear for a building to be renovated with Agribusiness funds. While the County IDA has provided a letter of support for the business, there is no indication of local commitment to other potential incentives to assist this new company. In summary, and with no reflection on the merits of the company's product or process, the proposal is not well developed as either a local government business recruitment project or as an Agribusiness incubator project. **Staff recommends no award.**

Holston River Soil and Water Conservation District
Washington County Purchase of Development Rights Program (#2452)
\$617,274 requested

Project description provided by applicant: Agriculture is the number one industry in Washington County - bringing in over 60 million dollars per year. Recreational tourism brings in 2.5 million per year. Without a land base, these enterprises aren't possible. Virginia is facing development pressure, ranking 16th in the nation for loss of agricultural land. The lost land does not revert back to agriculture, greatly limiting the economic options available for farmers and foresters.

Farm, forest, and open land preservation was a top citizen concern cited in the Washington County Comprehensive Plan. In 2008, local organizations banded together to promote the formation of a county Purchase of Development Rights (PDR) Program. In July 2010, the Washington County Board of Supervisors passed an ordinance to create the Washington County PDR Program.

In March 2011, Washington County dedicated funding for the program in the form of a challenge. Other local organizations have also provided funding and support. Additional funding is still necessary; therefore, TICRC funds are being requested. The TICRC funds will be used in two ways. First, to purchase development rights on qualified parcels of land. Second, to hold a series of 5 presentations across Southwest Virginia, in order to highlight the importance of agriculture and to demonstrate the Washington County PDR Program's transferability to other localities. Funding this initiative will fit Governor McDonnell's goal of preserving 400,000 acres. Other states, such as NC and MD, have recognized the beneficial relationship between land preservation and future economic potential and have used Tobacco Settlement funds to support conservation easement programs.

Staff comments and recommendation: The proposal seeks TICR funds for the majority of costs to purchase from willing sellers three or more permanent conservation easements that prohibit future development on lands in the County that are deemed to have protected historical, environmental or wildlife characteristics, or are adjacent to historic districts, parks, Scenic Byways or recreational trails such as the Creeper Trail. No new permanent jobs will be created. Matching funds include a \$30,000 County challenge grant and nearly \$40,000 of other cash and in-kind support. A similar proposal was submitted to the Agribusiness program in 2010 but was not recommended for funding. The proposed program uses a successful model that is clearly consistent and coordinated with the County's comprehensive plan and several existing state and federal land conservation and agricultural preservation programs. However, land conservation – absent a clear ongoing use with measurable economic activity - is not specifically listed as a targeted priority activity of the Commission's Strategic Plan. The program is based on the continuation of current economic activities on the properties, specifically prohibiting additional development, which thereby limits any incremental economic activity and outcomes that would make this project consistent with Commission objectives. Economic outcomes are not clearly quantified but include the protection of agricultural lands from development, the cost avoidance of public services to developed properties and tourism revenues. If this project is funded by TICR the focus should be strictly on productive agricultural and timber land; however, the Commission can reasonably expect future requests from this and other counties to fund additional easement programs. **Staff recommends no award.**

Mount Rogers Christmas Tree Growers Association
Christmas Tree Advertising and Marketing (#2464)
\$45,000 requested

Project description provided by applicant: MARKETING VIRGINIA GROWN CHRISTMAS TREES. Growing Christmas Trees in Virginia has grown into a major industry. It has replaced tobacco and beef cattle as the major farm income in Southwest Virginia. We need to make Virginia the leader in growing and selling Christmas trees. We now find ourselves in an oversupply situation. We believe we could alleviate the oversupply if we had sufficient funds to advertise and market our trees. Selling the trees that we have ready for the market would add income and wealth to Virginia farmers. We estimate that there are at least 250 Fraser Fir Christmas tree growers in Virginia with a gross financial impact in excess of \$30 million.

Staff comments and recommendation: The proposal from this nonprofit growers association specifically request funds for newspaper and magazine advertising (\$10,000), developing a buyers' guide (\$8,000), \$12,000 for attending nursery trade shows, \$5,000 for website development and \$15,000 for web-based advertising. The estimated new income to be generated is \$125,000. The level of "oversupply" is not quantified, and matching funds are not specified. The Growers Association has existed for 20 years, but the proposal does not describe the current funding levels or strategies for advertising, whether the requested funds will supplant or enhance current marketing, or future sources of marketing funds, all of which has been requested by TICR staff (with no response to date). **Staff recommends no award.**

New River Highlands RC&D
New River Grazing Management Initiative (#2450)
\$169,896 requested

Project description provided by applicant: The New River Grazing Management Initiative project will support traditional economies and enhance tourism by protecting and enhancing the rural communities, lifestyles and landscape of southwest Virginia. The project area includes Bland, Floyd, Giles, Grayson, Montgomery, Pulaski, Smyth, Tazewell, Washington, Wythe counties and the City of Galax in southwest Virginia. The goals of this initiative will be met through education and training of livestock producers about controlled grazing. This project will assist livestock producers in making the transition from conventional pasture management to a controlled grazing management system. The controlled grazing management system will increase forage (pasture) production and increase utilization of forage by livestock. Landowners will benefit through a sustainable increased production of livestock products. The project will demonstrate the potential for increased forage production and utilization to equal or exceed the income from tobacco allotment holders. The project goals are:

Goal A: Establish 25 controlled grazing demonstration farms.

Goal B: Train 75 livestock producers how to use controlled grazing management in their forage production.

Goal C: Present informational programs to 500 livestock producers to promote controlled grazing management systems as a way to increase sustainable economic returns.

The project will provide one grazing specialists to promote controlled grazing and forage utilization through media, group meetings, and direct one-on-one contacts. The grazing specialist will provide training and informational programs on controlled grazing for producers and agricultural agency personnel. The project will provide one-on-one training to producers on managing a controlled grazing system and forage production and utilization.

Staff comments and recommendation: The request is to fund the salary and benefits of a grazing specialist that will implement a \$999,020 USDA grant that will provide technical assistance and cost-shared on-farm improvements to 40 livestock producers in the RC&D. Eight of the RC&D's eleven counties are in the TICR footprint, and 24 of the 40 producers that have been identified for the cost-share program are in TICR counties. The RC&D proffered to pay for this grazing specialist in its May 2010 application to USDA, but suffered funding cutbacks, and it now appears that TICR is being asked to fulfill that local commitment to fully fund the position that has already been filled. The applicants also state that "several of the applicants have completed practices." While this proposal is very well-leveraged by the USDA grant, it seeks TICR dollars to supplant cutbacks from other funders, which is contrary to Commission policies. **Staff recommends no award.**

Nottoway County

Nottoway Farm to Fuel Project (#2460)

\$911,000 requested

Project description provided by applicant: Nottoway County seeks to establish a processing facility that will provide the missing link between farmers seeking to grow native, warm season grasses and end use consumers of that biomass material. Native, warm season grasses such as switchgrass offer a new alternative crop for local farmers on their mostly non-productive marginal land. It is a crop that has been documented to provide a cost effective source of fuel to large, institutional type facilities. It has proven to be a workable and renewable alternative to fossil fuels.

The processing facility connects the farmer/producer with the end user, neither of which is capable of the initial cost of a needed operation to turn a raw farm product into a material that can be handled with existing heating systems. Nottoway County believes a processing center will not only satisfy current demands but will enable the new fuel source to become more widely grown, increasing farm income and lowering the cost of institutional and factory operations. Both outcomes will have a beneficial effect on the economy. As outlined in this application, Nottoway County is requesting assistance to establish the processing center.

Staff comments and recommendation: Funds are requested to prepare a site in the Pickett Park to construct and equip a 45,000 square foot building with a small office space to store and grind bales of switchgrass before transporting to end users such as Piedmont Geriatric Hospital and the adjacent state Behavioral Rehabilitation detention facility in Crewe/Burkeville, where test burns have successfully indicated a monthly savings during the heating season of approximately \$50,000 over fossil fuels such as boiler heating oil and coal. The request includes \$732,000 for the buildings and site prep, in addition to \$179,000 for a truck scale and a 4-wheeled telehandler. The intent is to reduce loss of product due from spoilage in outdoor storage, and to maintain low moisture content levels needed for effective fueling of boilers. Matching funds of \$5.3 million derive primarily from a proposed \$5 million boiler upgrade at PGH, as well as various donated personnel, equipment, operating expenses and in-kind land value. Five employees are expected to staff the center, presumably on a part-time basis (the proposal states a match of \$22,000 from a private partner to staff the center). The proposal states that the two state facilities will have a demand for 30 tons of biomass per day or 3,600 tons of switchgrass annually, which at an expected yield of 3 tons per acre equates to a goal of getting approximately 1,200 acres of otherwise unproductive farmland under contracted production. Expected prices are \$60 per ton or \$180 per acre. FDC Enterprises, an Ohio-based company, has been retained by PGH to provide 1,200 tons in the upcoming winter at \$141 per ton, and is reportedly contracting with growers within a 40-mile radius to plant acreage for this immediate need and for future production. Additional acreage might be contracted if other end users such as prisons, schools, hospitals and industries are secured. Nottoway would initially own the building and lease it to FDC, although the possibility of a future sale

is mentioned. The proposal essentially supports a private company's contract to supply state facilities, protecting the value of inventory purchased by the private company, aiding the company in providing the desired product to the end users, and providing operating savings to taxpayer-supported state facilities. Supplemental information provided by the County and FDC is even more compelling, indicating that the 1,200 tons to be purchased this winter from FDC by the two state facilities will be sourced almost entirely from Lunenburg and Nottoway producers, with additional plantings being established currently in those two counties plus Dinwiddie. FDC states that "we are already offering higher prices for biomass located nearer the processing facility in Nottoway as inbound freight costs to processing plant are much lower ... so we can pass that saving along to the biomass crop owner." There clearly appears to be momentum toward establishing a critical mass of crop supply, demand from purchasers, and direct benefit to tobacco region producers via better prices for their proximity to the end users. **Staff recommends award of \$150,000 for purchase of processing/handling equipment that will benefit producers in multiple tobacco counties, with ownership to be retained by the County, with the balance of the request for construction of the building (\$732,000) to be referred to the Southside Economic Development Committee per the request of the County.**

Olde Dominion Agricultural Foundation
Olde Dominion Agriculture Complex – Arena Build Out (#2366)
\$1,000,000 requested (referred from Special Projects)

Project description provided by applicant: In order to facilitate continued growth for the Southside region's vast agricultural industry, producers are striving to coordinate agriculture programs and to develop new markets for local livestock and commodities. To support this vision, the Olde Dominion Agricultural Foundation (ODAF) has constructed a 53,000 square foot indoor arena as part of the entire multi-million dollar, multi-purpose regional agriculture complex. Thanks to previous Tobacco Commission support of this project, funds previously awarded were utilized to completely build out the conference center and to erect the shell of the arena. Funds requested will be utilized with other grant opportunities to complete the interior build-out of the arena, which will host livestock shows and offer an enclosed location for hands-on training of in-the-field applications for all agricultural commodities. As an agriculture complex, most events held in the completed arena will be agriculture related such as the livestock shows, horse shows and related events, agri-tourism and agriculture education events. There will also be an ability to broaden the use of the arena facility for other commercial activities such as trade shows and exhibitions, commodity meetings and events, food and wine festivals, rodeos, car, boat, and equipment shows, concerts, graduations, and other similar events that would benefit from a large covered arena. These events would bring in tourism dollars from outside the existing local market.

Staff comments and recommendation: The ODAF facility has previously received TICR Agribusiness support totaling \$1.9 million, in addition to a Southside grant of \$900,000 to provide water/sewer extension to the site. The requested uses of funds include bleachers, floor, lighting, stage and equipment for the arena interior, in addition to ancillary structures such as holding pens, a pole stall barn, warm up ring, parking, RV facilities and other expenses to complete the \$2.4 million buildout of the Complex. The applicant states no operating expenses will be requested of the Commission. The Special Projects Committee that initially received this proposal in July referred it to the Agribusiness Committee due to outcomes for the facility that are primarily agribusiness in nature, and arguably should remain a funding decision of the Agribusiness Committee that has previously provided funding for the facility. Anticipated uses of the arena in the attached business plan and the economic impact study (conducted by VA Tech) include revenues from both an array of agricultural events (e.g. equine, livestock, education and research) as well as non-agricultural community events such as concerts,

festivals, school graduations, etc. Direct annual spending within the multi-county region by visitors to the entire facility is estimated to be \$367,000, with a significant portion of that total resulting from use of the existing meeting space at the Complex. The original business plan estimates 33 events annually in the arena, generating \$25,000 of revenues to the facility from an estimated 5,200 visitors. A majority of matching funds are not yet approved in the form of a pending applications for \$950,000 from the Danville Regional Foundation (which required a separate new feasibility and economic impact study) and \$100,000 from USDA. The more recent impact study estimates annual visitation to grow to a range of 13,000 to 27,000 by 2014, with a \$3.2 million annual visitor spending impact associated with that lower visitation number. While a portion of that visitation and impact will be generated by livestock and agricultural events, a majority of visitors are expected to attend non-agricultural events such as dog shows and sporting events. Consequently, and in light of TICR's substantial previous commitments for this project, staff is suggesting that matching funds from other sources need to play a more significant role as buildout of the facility is completed. **Staff recommends award of \$500,000 contingent on a committed dollar-for-dollar match.**

Prince Edward County

Prince Edward Regional Food Enterprise Center - Value-Added Foods through Sustainable Local Processing (#2474)

\$486,000 requested

Project description provided by applicant: Prince Edward County (PEC) has improved the existing county owned and operated Cannery from a home-user facility to an inspected, shared-use facility. This has allowed entrepreneurs to create value-added products for commercial resale; and positioned the Cannery to serve as an incubator for small businesses by minimizing overhead costs associated with start-up endeavors. There has been slow development of food businesses due to the regulatory processes and the lack of distribution channels. Public feedback showed a facility providing a co-packing service for creating value-added products would allow businesses to more easily move local foods into the market. Such a facility would allow growers to supply food to a certified staff to process value-added products and assist with distributing those products to markets. Homegrown Virginia has agreed to provide these co-packing services. This partnership will advance the Cannery to become the Prince Edward Regional Food Enterprise Center, or "Center". Flash freezing equipment is required to expand the services to include low-acid food products. The Center is currently approved to process only acidified and high-acid foods, such as fruits, tomatoes and vinegar based products. The addition of flash freezing equipment would enable the Center to process low-acid foods such as corn, beans, and broccoli. Flash-freezing facilities are not currently available for small scale vegetable and fruit processing in Virginia. This prohibits small businesses from selling low-acid foods except as fresh food during the growing season. A facility that provides a freezing option will enable farmers to expand into off (sic – end of applicant's summary).

Staff comments and recommendation: The Agribusiness Committee provided \$350,000 to improve the existing Prince Edward Cannery in 2010, and this new proposal requests funds for A/E to design an expansion of the Cannery (\$55,000), construction of the expansion and addition of three-phase power (\$200,000), and equipment (\$230,175). The proposal lists six farms that are committed to use the facility, in addition to twenty members of the VA Aquafarmers Network. Net new income is estimated at \$70,000 annually. Matching funds include the value of the existing building and equipment (\$573,285), the \$35,000 feasibility study grant, approximately \$61,000 of annual operating expenses and other smaller costs. Potential purchasers of the co-branded products include area public schools, restaurants and groceries. The project is the subject of a feasibility study funded by USDA and VA FAIRS that is scheduled to begin in October 2011 and conclude in Spring 2012. The proposal states the

feasibility study will “guide the creation of a business model and pricing structure that will make the Center viable” in addition to assessing supply and demand for particular products and facility construction and operational needs. Until such time as the study is completed and results can be examined, this request for construction and equipment funds appears to be premature, and anticipated economic benefits can not be accurately estimated. **Staff recommends no award.**

Southwest Virginia Agricultural Association, Inc.

Expanding Markets for Apiculture in Southwest Virginia (#2462)

\$491,500 requested

Project description provided by applicant: As farmers’ transition from a tobacco based agriculture economy to a more diversified agricultural economy, there are several opportunities and needs. Among the diversification opportunities is bee keeping and the related bee keeping industries. Additionally it is well documented that many of the new crops being grown are dependent on pollination, the majority of which honey bees are the ideal or only pollinator. Existing and new beekeepers alike find themselves obtaining bees and replacement queens from the Deep South most commonly. There are currently no bee or queen suppliers located in the Southwest Virginia service area. There is growing interest and economic opportunity in developing local suppliers of bees and queens. Locally produced bees and queens would be acclimated to the region and would have greater chance of survival from one season to the next. Southwest Virginia producers of pumpkins, melons, and other honey bee pollination dependent fruits and vegetables report that the supply of bees needed for pollination services is not available locally. Currently a large segment of this service is coming from North Carolina beekeepers. There continues to be a greater demand than supply of local honey. With an increased emphasis in local and regional foods the expectation is that demand for local honey will only increase leading to sustainable and profitable markets for those beekeepers with the resources to capitalize.

Staff comments and recommendation: Funds are specifically requested on behalf of the Highlands Beekeeping Association for a cost-share incentive program that would serve all 14 SWVA counties and assist 250 established beekeepers (50:50 up to a \$1,000 grant), 200 new beekeepers (75:25 up to \$500 each) and 50 beekeepers starting bee-related businesses such a pollination, queenbee-rearing, bee package sales and apiaries (50:50 up to \$2,500 each). Funds are also requested for grant administration (\$16,500). Private matching funds of \$408,000 would be required cost-share invested by beekeepers. Fees would be “allocated on a percentage basis to each county” although that basis is not described. This would potentially serve keepers who were also granted cost-share incentives under a 2010 TICR Agribusiness grant. The proposal estimates \$975,000 of new annual income from the project, but does not describe the methodology for arriving at this estimate. Like other cost-share projects, this proposal scores well for private sector leveraging and reaching a substantial number of producers. However, it primarily serves beekeepers, some of whom may sell honey and pollinate crops commercially, but aside from anecdotal comments it fails to adequately quantify the benefits to agricultural crop producers. **Staff recommends no award.**

Virginia Cattlemen’s Association

Southwest Virginia Livestock Center (#2475)

\$1,000,000 requested

Project description provided by applicant: In order to facilitate continued growth for the Southwest region's vast agricultural industry, producers are striving to coordinate agriculture programs

and to develop new markets for local livestock and commodities. To support this vision, the Virginia Cattlemen's Association, Inc., will construct a 33,000 square foot livestock facility as part of the multi-purpose agriculture complex. Funds requested will be utilized with other investment to complete the interior build-out, which will host livestock sales and offer an enclosed location for hands-on training of in-the-field applications for all agricultural commodities. As an agriculture complex, most events held in the completed arena will be agriculture related such as the livestock sales and shows, horse shows and related events, agri-tourism and agriculture education events. There will also be an ability to broaden the use of the facility for other commercial activities such as farm equipment sales, auto and truck sales, equipment shows, and other similar events that would benefit from a large covered arena.

Staff comments and recommendation: The Virginia Cattlemen's Association is applying on behalf of a regional group of stakeholders who are planning to build this proposed facility in Hansonville (Russell County). The facility would be similar in several functions to the Olde Dominion Ag Center that is partially built in Pittsylvania using \$1.8 million of previous TICR Agribusiness grants and is seeking additional funding in this round for indoor arena buildout. Funds are specifically requested for site acquisition (\$300,000 for 15 acres), site prep/grading (\$200,000), purchase of a 30,000 square foot metal building (\$360,000), livestock pens (\$115,000) and gravel for parking and roads (\$25,000). Matching funds of \$514,000 are indicated as "in-hand" for planning costs, interior buildout and equipment. Annual transportation savings to producers who would no longer be required to take livestock to Abingdon markets is estimated at \$133,000, in addition to annual employment income of another \$133,000. The application indicates a cooperative is being formed, and the regional stakeholders have subsequently incorporated with Virginia SCC as the Southwest Livestock Cooperative Inc., which will apply for IRS nonprofit designation (501 c 12). Staff has requested additional information including a business/operational plan, proposed operating budgets including operating costs and revenues, and detailed site engineering analysis. With these project development steps well underway, this appears to be a significant opportunity to serve multiple agricultural sectors and constituents in SWVA. The site is centrally-located and accessible to a large portion of SWVA at the intersection of Routes 58 and 19 in Hansonville. The \$20,000 per acre land cost, which is supported by an independent appraisal, seems excessive for unimproved farm land and leads staff to suggest a lower award for land acquisition. Project leaders have also indicated that phasing of ancillary facilities such as holding pens could be accomplished at a later date. **Staff recommends an award of \$700,000 to the Southwest Livestock Cooperative Inc. contingent on successful completion of an operating plan and IRS designation of the proposed non-profit cooperative organization which would own and operate the facility.**

Virginia Polytechnic Institute and State University

A Regional Processing Facility for Production of Value-Added Aquacultured and Other Farmed Food Products (#2463)

\$463,850 requested

Project description provided by applicant: The primary objective of this project is to establish a processing facility for the production of value-added food products (spreads, dips, salads, stuffings, toppings, and various soups, stews, and chowders) that will support current levels of aquaculture- and agriculture-based employment while creating economic growth and new job opportunities. The processing facility will serve the entire Southside and Southwest areas of Virginia by providing the means for aquaculture and agriculture producers to convert their products into higher-valued food products. In addition to specialized equipment, the project will offer producers a processing facility that will meet government regulations for producing ready-to-eat products.

Staff comments and recommendation: VT faculty propose a partnership with the private Martinsville-based company Blue Ridge Aquaculture to establish a 2,400 square foot processing facility that would initially process primarily tilapia into value-added products for sale. The facility would be procured by BRA and offered under a ten year lease to VT, with no lease cost for the first two years. It would be open to multiple users, and 2-5 are anticipated in the initial years, including BRA and Virginia Aquaculture Network members, with anticipated product sales revenue of \$100,000 in year one and \$200,000 in year two. TICR funds are requested for three years of operating costs including \$258,591 for salaries and benefits for a full-time facility manager, part-time assistant manager and part-time quality control technologist. Also requested are equipment (\$151,759), supplies/materials (\$16,500), travel (\$15,000) and continuous costs for utilities and insurance (\$22,000). Matching funds include \$60,000 from BRA to procure the site and \$42,500 for the participation of BRA staff. The proposal anticipates the facility would be self-sustaining from user fees and sales revenues after three years (staff has requested additional detail on annual operating costs and revenues, future disposition of the facility and equipment after the lease ends etc). The primary beneficiary and only producer capable of regularly using the facility appears to be BRA, which successfully produces millions of pounds of tilapia in Martinsville annually. The request could be construed as primarily funding the operating costs of a new business venture for BRA, and must be weighed for public benefits that mitigate constitutional issues of public funds being used for private purposes. The applicants state in supplemental info that the facility will initially be leased and would not be constructed adjacent to BRA, that for at least ten years it will be operated similarly to VA Tech's SWVA Aquaculture Research Center in Saltville, and at some point a producer cooperative could be formed in the future. This program's objectives specifically state that assisting in developing value-added products for agribusinesses that generate additional producer income is the core outcome. However, in this case one producer is the principal immediate beneficiary of a grant (as opposed to hundreds of producers benefiting from cost-share incentives in other competing proposals). If funding is offered, performance measures should be considered to guarantee public benefits from supporting what appears for the near future to primarily be a new startup business venture for BRA. With additional evidence of the long-term sustainability of the center and demand for use by multiple additional producers, this project could be a stronger candidate for future funding. In the meantime, TICR-assisted facilities such as the Spencer-Penn community kitchen in Henry County or private companies such as Martinsville-based Knauss Snack Foods could be engaged for assistance in product development. **Staff recommends no award.**

Virginia Polytechnic Institute and State University

Advancing a marine shrimp and freshwater prawn industry for Southwest and Southside Virginia (#2459)

\$513,717 requested

Project description provided by applicant: Virginia Tech, is in partnership with Blue Ridge Aquaculture (BRA) on large scale recirculating aquaculture system production of Pacific white shrimp (*Litopenaeus vannamei*) and fresh water prawns (*Macrobrachium rosenbergii*). Virginia Tech is also working with the Virginia Aquaculture Network and farmers to improve production efficiencies and open new markets for pond raised prawns. A request for \$589,017 from the Tobacco Indemnification and Community Revitalization Commission's Agribusiness Grant Program is submitted. For the marine shrimp: 1) at BRA initiate a broodstock selection program, using traditional agricultural breeding techniques; 2) conduct shrimp nutrition research trials; 3) optimize water quality parameters for the RAS marine shrimp growout systems; 4) optimize marketing opportunities for live markets by determining potential size for live sales, and focus on new unexplored Sashimi markets. For freshwater shrimp: 1) use a VAN prawn farmer as the project Demonstration Farm; 2) use RAS tanks at BRA to

grow advanced juveniles (twice the size presently produced from the VAN hatchery) and head-start pond production; 3) provide scientific support to the existing VAN hatchery; 4) develop a video to document proper protocols for all phases of pond preparation, production, and harvesting, to serve as a training resource for all prawn farmers; 5) growout of additional freshwater shrimp for live sales using the large recirculating shrimp tanks in Martinsville and the VAN Demonstration pond; 6) undertake test markets for fresh and live shrimp in Virginia, using the local angle; 7) on a local basis, explore markets for frozen product.

Staff comments and recommendation: Funds are specifically requested for salaries and fringes for VT faculty, project manager and six technicians, as well as BRA lab and hatchery managers (\$313,017 total). Also requested are supplies/materials (\$81,800), contractual (\$36,000 for travel and promotions), \$60,000 to rent BRA's facilities, \$19,500 for equipment and other smaller project costs. Matching funds include \$188,464 for BRA salaries, \$60,000 of potential shrimp sales to be reinvested in the project, and \$21,500 for supplies, materials and shrimp transport expenses. The proposal includes a modest amount of equipment and technical support for a VAN hatchery and demonstration farm that would expand on TICR's previous multi-year funding of VAN's producer network and activities. Several aspects of this request vaguely state that research previously funded by the Agribusiness Committee at \$436,079 in FY10 would be "optimized," making it unclear how critical this additional activity is when the existing grant remains open with 37% of its funds still available, and there has been significant success in marketing "several hundred pounds per week" of the live shrimp product to buyers in large metropolitan markets. The proposal also mentions possible future development of a \$10 million BRA facility capable of producing a million pounds of shrimp annually, and employing 20-30 people, which is an obvious TROF candidate. **Staff recommends no award.**

Virginia State University

Value-added and Consumer-ready Products from Potential Food Legume Crops to Enhance Income of Tobacco Farmers (#2454)

\$223,680 requested

Project description provided by applicant: An ongoing, currently funded Virginia Tobacco Indemnification and Community Revitalization Commission (TICRC) project supports the agronomic potential of food legumes (chickpea, mungbean, and pigeonpea) as valuable, new alternative crops for Southside Virginia farmers transitioning out of tobacco. Parallel marketing efforts must be undertaken to help establish the economic viability of these alternative crops. The proposed project supports the development of value-added and consumer-ready products from food legumes. This objective addresses exactly the TICRC Agribusiness Grant Program priority to develop value-added products to expand the marketing opportunity for potential alternative crops in the tobacco-growing region of Virginia. The establishment of alternative food legume crops will contribute to diversification of Virginia's agribusiness economy and will enhance potential income opportunities for Virginia tobacco farmers. TICRC funds will be used to research the development of value-added and consumer-ready products from mungbean and pigeonpea grown by Southside Virginia farmers (chickpea is already well established). Two legume-based products, starch-based gluten-free pasta and protein-rich snack food with substantial value-added potential, are expected to be developed to support commercialization of mungbean and pigeonpea in Virginia. A successful outcome of this project will benefit farmers, food processors, and crop traders since the results will provide potential economic incentives for producers and manufacturers.

Staff comments and recommendation: The proposal seeks funds to conduct laboratory-based research at VSU, which is physically outside the tobacco region (in Chesterfield County). Funds would

specifically be used to hire two graduate researchers and an hourly worker for three years (\$129,180), equipment (\$45,000), supplies/materials (\$29,500), travel and contractual consulting (\$10,000). All matching funds are in-kind, estimated at \$200,000 for use of farmland and machinery, lab space, and equipment. Benefits to tobacco region growers are not directly identified or quantified in the proposal, although presumably the successful development of bean-based pasta and snack foods as proposed herein would present a market opportunity to area growers to provide beans. However, that opportunity would be equally available to growers outside the tobacco region, and there is no assurance that the intended products would be accepted by consumers, or that the products would ever be produced in close enough proximity to benefit tobacco region growers. The proposal states that research results will be disseminated at events and conferences, however it is unclear if proprietary processes would be developed as a result of this research, or what the treatment of proprietary knowledge would be if developed (e.g. could VSU sell the process to a corporate food producer etc).

Staff recommends no award.